

# Exhibit 205

To: Starr, Amy [REDACTED]@SEC.GOV]  
From: [REDACTED]  
Sent: 2017-12-11T23:30:24-05:00  
Importance: Normal  
Subject: Re: Meeting with SEC staff  
Received: 2017-12-11T23:31:10-05:00  
[REDACTED] and SEC Final 12-13-17.pdf

Apologies for the e-mail clutter Amy, I inadvertently attached the penultimate file and this is actually the correct and final version to the extent you'll be circulating. It is marked [REDACTED] SEC Final 12-13-17.pdf."

On Mon, Dec 11, 2017 at 11:22 PM, [REDACTED] wrote:

Amy -

As promised, please find some materials attached. We don't usually like to be rigid and walk through presentations, but thought it might be useful in setting an agenda for what we're thinking about. We will of course adapt the conversation to any particular issues you and your colleagues wish to discuss. We look forward to meeting everyone on Wednesday.

Best,  
[REDACTED]

On Fri, Dec 8, 2017 at 6:24 PM, Starr, Amy <[REDACTED]@sec.gov> wrote:

Thank you.

Amy

On Dec 8, 2017, at 6:17 PM, [REDACTED] wrote:

Amy -

We're in the process of customizing some materials for this meeting and expect to be able to send them by EOD Monday. In terms of audience on your side, I think Gary may be able to provide additional color but we are most focused on issues involving blockchain tokens and securities regulation. Please find some quick background on attendees on our side below to the extent you find it helpful in aligning interest on your side, as well some links to some of our collective public thoughts on these issues.

**Attendees**

[REDACTED]



**Background**

- Coinbase Securities Law Framework for Tokens
- Not So Fast - Risks Related to the SAFT for Token Sales
- Announcing the [REDACTED]

Have a nice weekend.



On Fri, Dec 8, 2017 at 6:13 AM, Starr, Amy <[REDACTED]@sec.gov> wrote:

Thanks [REDACTED] We want to make sure we have the right folks at the meeting.  
Look forward to hearing from you.

Regards  
Amy

On Dec 7, 2017, at 9:31 PM, [REDACTED] wrote:

Amy -  
Thank you for your confirmation. Let me circle up with our attendees and we'll put together some materials for you.

Best,



On Thu, Dec 7, 2017 at 1:25 PM, Starr, Amy <[REDACTED]@sec.gov> wrote:

[REDACTED] I understand you have spoken with Gary Barnett about meeting with folks from the Division of Corporation Finance. The meeting currently is set for next week. If you have

any materials that you can send to me as background before the meeting that would be great. I can be reached at this email or the number below.

Regards,

Amy Starr  
Chief, Office of Capital Markets Trends  
Division of Corporation Finance  
Securities and Exchange Commission  


[REDACTED] and the [REDACTED]  
**Selling Consumer Tokens  
in a Consumer-Protective Manner**

December 13, 2017

**Premise: It should be possible to sell “consumer tokens” --i.e., digital consumer goods--in a way that (1) does not implicate the securities laws, and (2) protects consumers.**

# AGENDA

- Overview of Ethereum
- Overview of [REDACTED]
- Update on Token Sales
- Concerns about Market Confusion and Consumer Protection
- The [REDACTED] and Industry Wide Initiatives
- On-Going Collaboration

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## Attendees







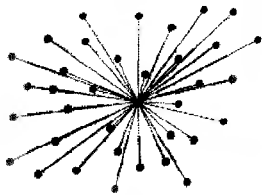
Ethereum



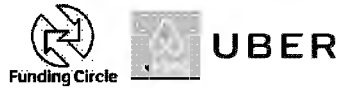
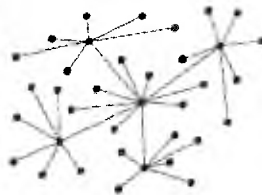
- A next-generation, globally-shared database and compute infrastructure.
- Facilitates trustworthy, fair, and low friction commercial and social activity.
- Allows all actors on the system to be certain that the rules are being fairly applied and followed by all.
- Lower risk of manipulated data or or manipulated business processes, because everyone can directly inspect both data and business logic.
- The Bitcoin blockchain focuses on currency (the Bitcoin application), the Ethereum blockchain focuses on being a platform for applications (many use-cases).

## Ethereum: A tool to lessen the need for centralized intermediaries

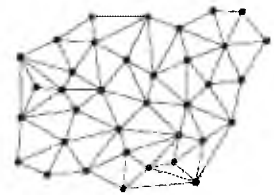
### Platform Economy



### Sharing Economy



### P2P Economy



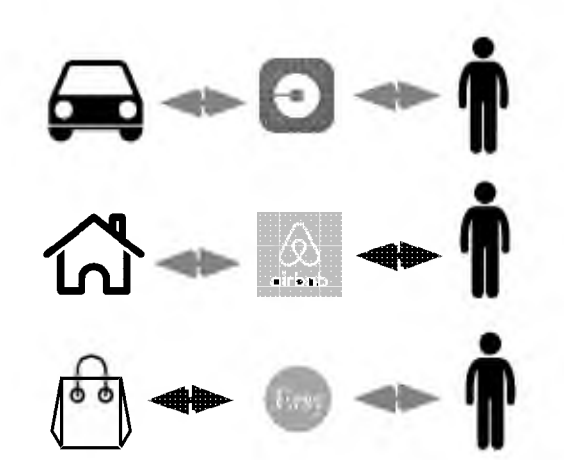
2010

2015

7

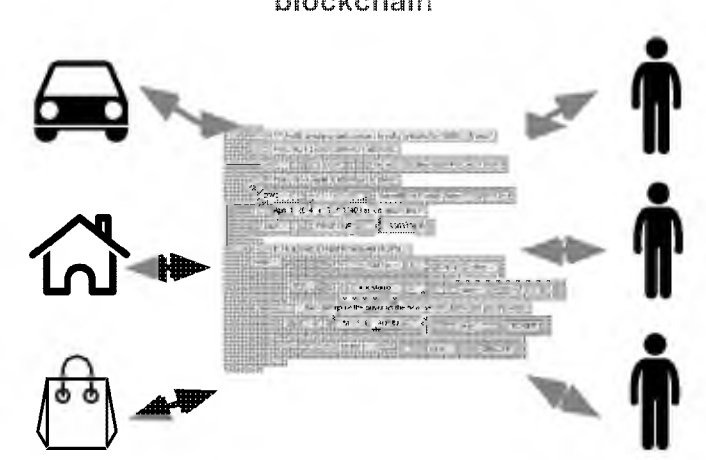
Ethereum: Powering Multi-Sided Markets

Centrally operated and governed platforms



Intermediaries own identities, pricing, openness of platform, etc.

Peer-to-peer governed marketplaces through a blockchain



Blockchains lessen the need for intermediaries. Introduces efficiencies and allows market participants to have greater control over commercial activity

# Tokens: Scarce digital assets that can be securely transferred

## Range of assets can be tokenized



Consumer Goods



Title/Deed to Real Estate



Natural Resources



Human Attention



Securities and other Financial Products

- Frictionless creation, verification, and exchange of assets
- Near instantaneous clearing and settlement
- Clear and tamper-resistant records of ownership
- Fractional ownership models
- Cryptographically secured and validated



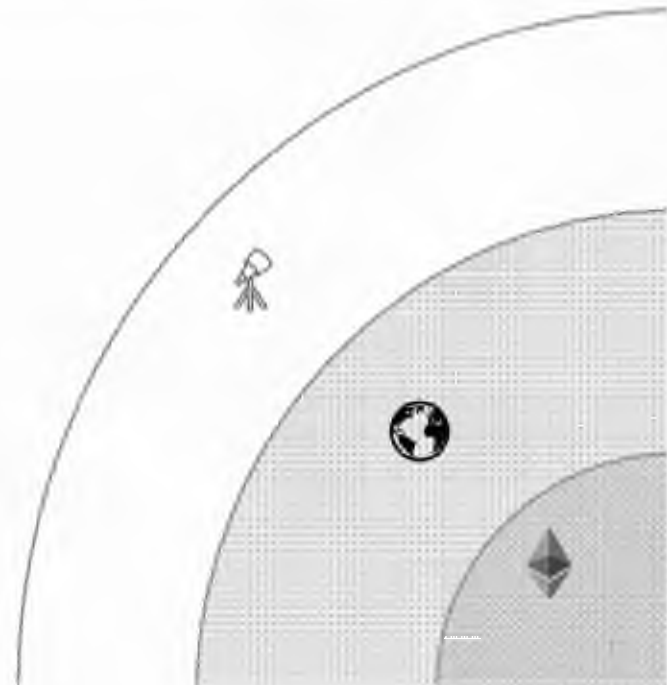
About [REDACTED]



A venture production studio exploring the use of blockchain technology

#### VISION

Our vision is a world in which **distributed applications** and the Ethereum world computer enables **more efficient and inclusive** global commerce and social activity.







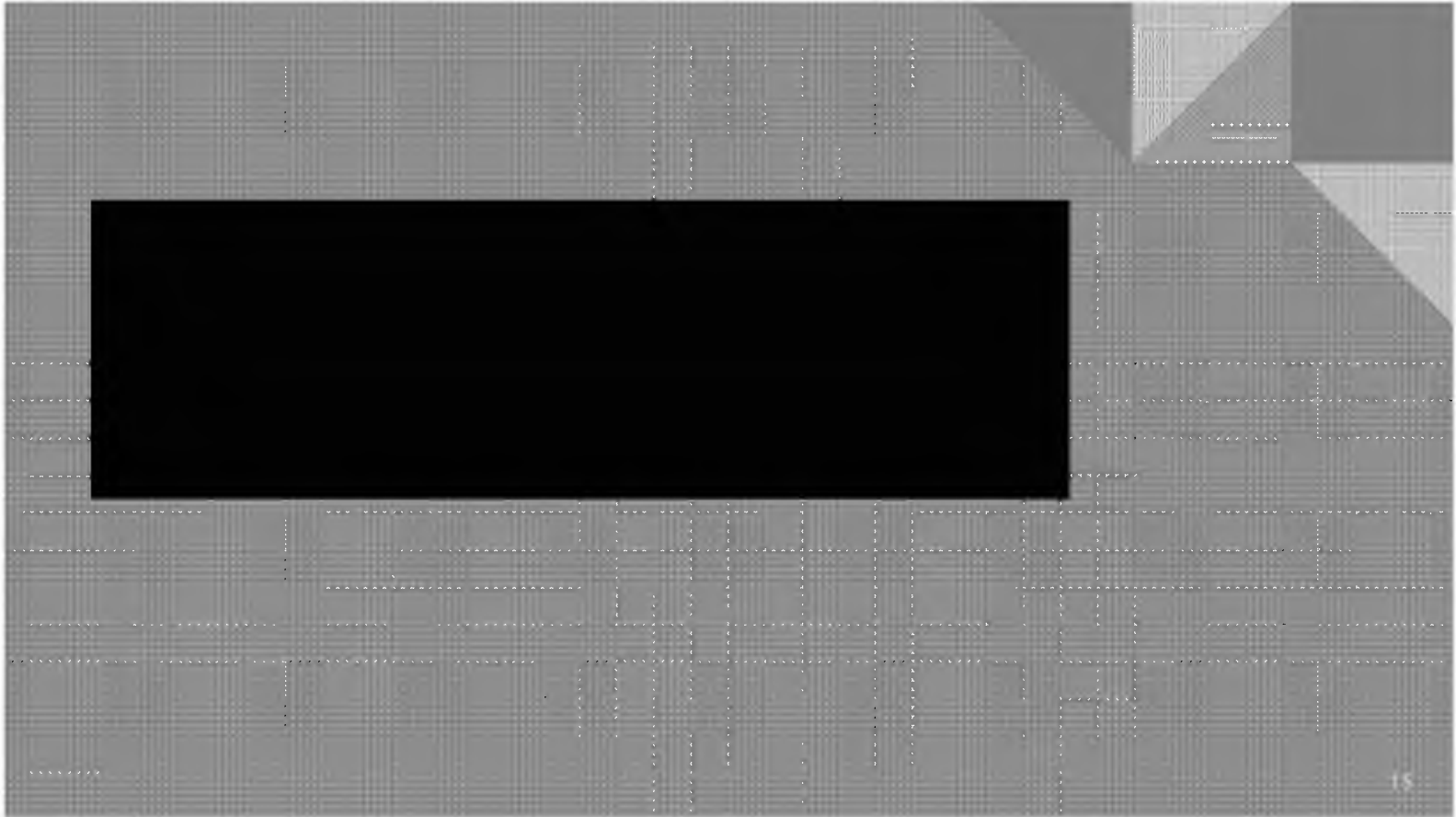




About

## About

- Academic initiative launched by [REDACTED]  
[REDACTED]
- Purpose is to explore the regulatory challenges raised by blockchain technology.
- Leverages [REDACTED] long emphasis on information and commercial law.



## Industry Leadership: The [REDACTED]



- Helped launch the [REDACTED] a consortium of over 200 large enterprises.
- Aims to develop open standards for enterprise grade Ethereum-based applications.
- Members include [REDACTED]

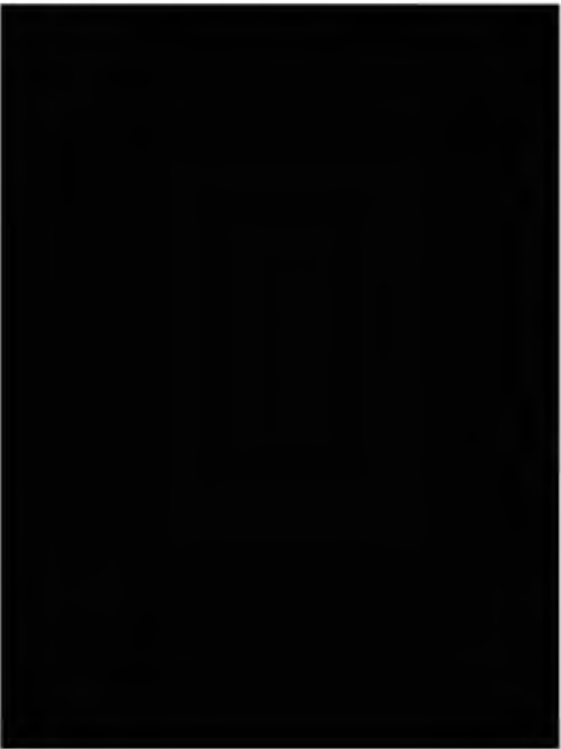
## Industry Leadership: Securities Law Framework for Blockchain Tokens

- 
- Published in 2016.
  - First comprehensive analysis into securities law issues related to blockchain-based tokens from the private sector.
  - Collaboration between Coinbase,
- 


## Industry Leadership: First Academic Exploration of Legal Issues Related to Blockchain Technology

- [REDACTED] Spring 2018.
- Explores ways to regulate blockchain technology.

## Industry Leadership: Other Academic Publications

- 
- Academic and industry collaboration to flag emerging risks in blockchain-based token sales.
  - Collaboration between [REDACTED]  
[REDACTED] and lawyers from [REDACTED]  
[REDACTED]

## Industry Leadership: First Legal Academic Conference to Explore Blockchain Technology

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- Academic researchers beginning to explore regulatory challenges of blockchain technology.
  - Co-sponsored by [REDACTED] and the [REDACTED]



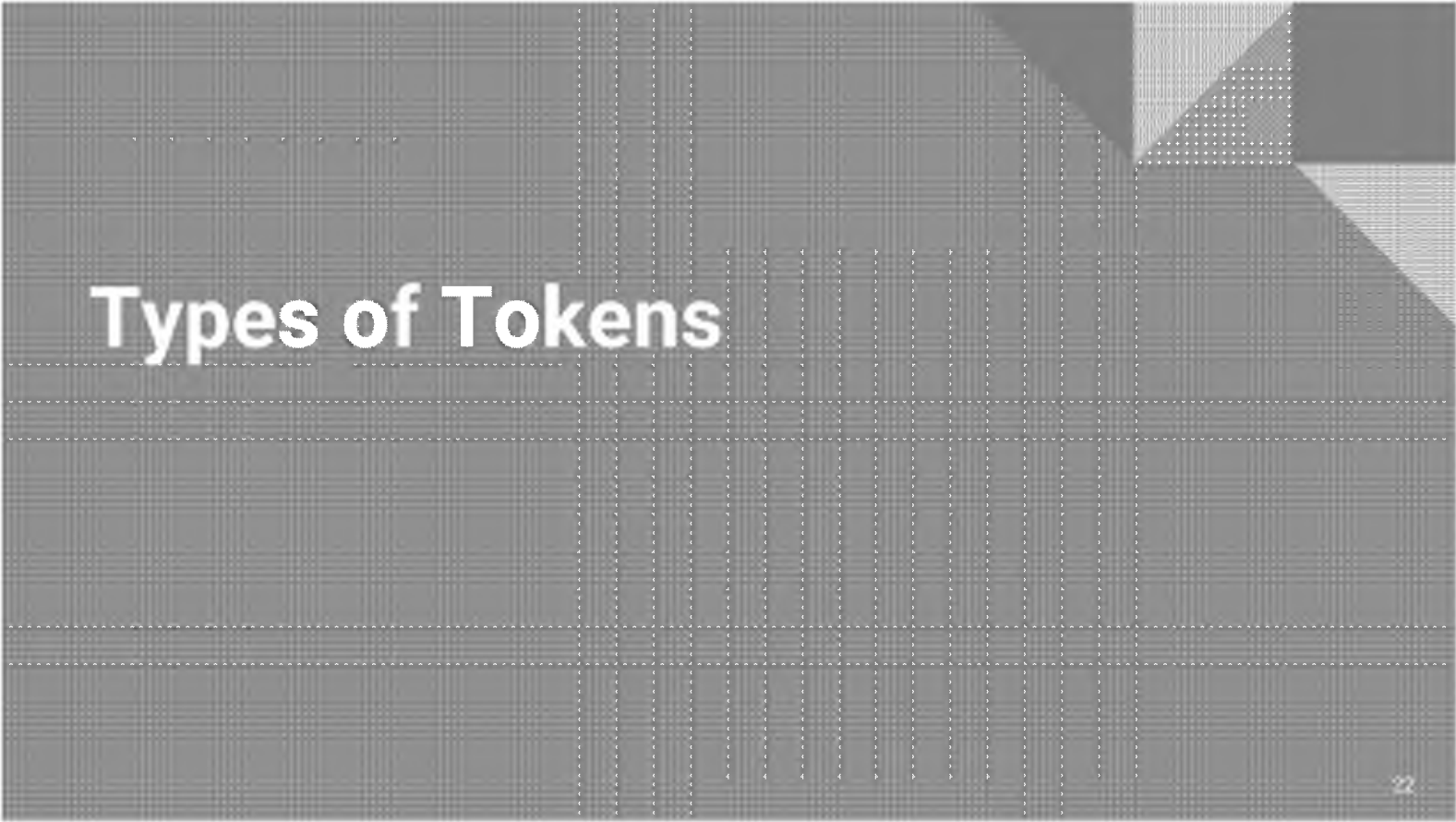
**Industry Leadership:**

[REDACTED]

[REDACTED]

- Academic and industry collaboration to promote best practices and solutions for selling tokens in a way that protects consumers.
- Collaboration between [REDACTED]

[REDACTED]





## Agreement from both US and EU academics. Broad categories of tokens:

- Protocol tokens/virtual currencies.
- Investment tokens (e.g., tokenized securities).
- Consumer or “utility” tokens (digital consumer goods, e.g., a tokenized software license).

Sources: Rohr, Jonathan and Wright, Aaron, Blockchain-Based Token Sales, Initial Coin Offerings, and the Democratization of Public Capital Markets (October 4, 2017) Cardozo Legal Studies Research Paper No. 527; University of Tennessee Legal Studies Research Paper No. 338. Available at SSRN: <https://ssrn.com/abstract=3048104>; Hacker, Philipp and Thomale, Chris, Crypto-Securities Regulation: ICOs, Token Sales and Cryptocurrencies under EU Financial Law (November 22, 2017) available at SSRN: <https://ssrn.com/abstract=3075620>.

## Tokens are Not Homogenous : Consumptive Rights Predominate

Table 3. Rights attached to ICO tokens. Sample: **253 ICOs** occurred from 2014 to August 2017

Right	Yes	No	N/A
Currency	53 (20.9%)	180 (71.1%)	20 (7.9%)
Access to platform services	172 (68.0%)	61 (24.1%)	20 (7.9%)
Governance decisions	63 (24.9%)	170 (67.2%)	20 (7.9%)
Profit rights	66 (26.1%)	167 (66.0%)	20 (7.9%)
Contribution rights	40 (15.8%)	193 (76.3%)	20 (7.9%)

Source: Adhami, Saman and Giudici, Giancarlo and Martinazzi, Stefano, Why Do Businesses Go Crypto? An Empirical Analysis of Initial Coin Offerings (October 20, 2017). Available at SSRN: <https://ssrn.com/abstract=3048209>.

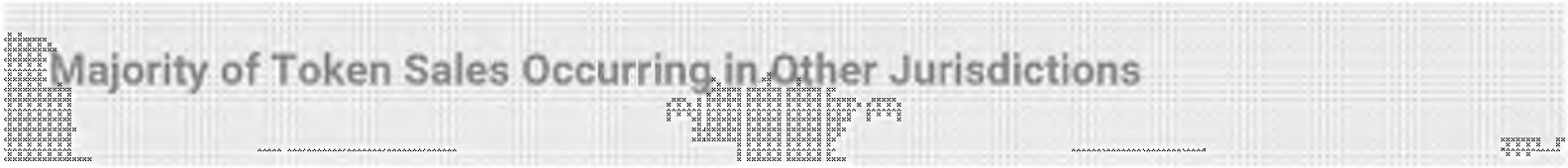


Table 1. Initial Coin Offerings’ characteristics. Sample: 253 ICOs occurred from 2014 to August 2017

Country of origin	Number	%
USA	47	18.6%
Decentralized/mixed	31	12.2%
Russian Federation	17	6.7%
UK	14	5.5%
Canada	11	4.3%
China	10	4.0%
Switzerland	10	4.0%
Singapore	9	3.6%
Others/NA	104	41.1%

Source: Adhami, Saman and Giudici, Giancarlo and Martinazzi, Stefano, Why Do Businesses Go Crypto? An Empirical Analysis of Initial Coin Offerings (October 20, 2017). Available at SSRN: <https://ssrn.com/abstract=3048209>.

# Market Confusion & Consumer Protection

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## Entrepreneurs and Others Lack Guidance on How to Sell Tokens That Should Not Be Securities

- Law firms are engaging in aggressive advertising/marketing and suggesting that there are ways to structure compliant token sales to “navigate” around existing laws and regulations. The focus is on escaping regulation, not protecting consumers.
- Investors in existing startups are pressuring founders to “go ICO” and engage in a token sale to provide investors with liquidity without suffering dilution.




## Entrepreneurs and Investors May Lack an Appreciation for Regulatory Risks

- Entrepreneurs are not being provided with an accurate picture of the penalties they may face when engaging in a token sale.
- Purchasers may not recognize the risk that they may be acquiring securities subject to transfer restrictions.



## Consumer Protection Concerns

- Projects may entice consumers with a promise of profits through both direct and indirect formats.
- Sales are structured to give advantages to wealthy purchasers through discount, SAFT, or pre-sale schemes. As a result, retail consumers may be disadvantaged and risks for market manipulation and speculation are heightened.
- If consumer tokens represent pre-paid access to an online platform or a digital good, and there is market manipulation, there is a risk that consumers may pay inflated prices.
- Bad actors are abusing the mechanism to perpetrate outright frauds.



# The [REDACTED] & Other Industry-Wide Initiatives

## Emerging Private Sector Attempts to Provide Standards on Token Sales Process with Consumer Protection in Mind

- [REDACTED] Announced the [REDACTED] on November 30: Academics, top law firms, industry participants, and over 200 other interested parties.
- EEA Legal Industry Working Group's Token Subcommittee: Members from over 20 top AMLaw 100 firms, aiming to tackle token related questions.
- Wall Street Blockchain Alliance: Deep bench of seasoned financial lawyers, working on guidance for securities lawyers and other practitioners.

## Working to Bring these Initiatives Together



- Promote standards in non-securities token sales with goal of protecting consumers.
- Develop FAQs providing potential guidance on ways to identify investment and utility/consumer tokens.
- Collect and report data related to ongoing or contemplated token sales.
- Develop technical tools and standards to protect consumers and limit possibility for speculation.

## Exploring the Development of Possible Standards to Protect Consumers

- Smart contract-based purchase limits and transfer restrictions.
- Conditioning release of tokens to actual use of the platform.
- Standardizing documentation for project's technical aspects.
- Promoting financial transparency so interests and risks can be evaluated by both consumers and regulators.
- Smart contract-based lockups for founders and investors to prevent speculation.
- Consumer-refunds, if project milestones are not met.
- Purchaser education and verification of knowledge, sophistication, and risk profile.
- Elimination or dramatic reshaping of the "pre-sale" process.



# On-Going Collaboration



- Improving consumer protection.
- Leveraging Ethereum blockchain and industry expertise to identify areas of concern for consumers and regulators--e.g., inadequate disclosures, fraudulent projects.
- Input from regulators so we can properly account for concerns from a range of market participants. We are pleased to see the latest SEC releases on the subject, including Chairman Clayton's recent statement.
- Establishing an ongoing dialogue between industry and SEC to increase the flow of information and provide updates on developments.